

COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

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Investigation by the Department of Telecommunications and Energy on )  
its own motion pursuant to G.L. c. 159, §§ 12 and 16, into Verizon ) D.T.E. 01-34  
New England Inc., d/b/a Verizon Massachusetts' provision of )  
Special Access Services. )

AT&T COMMUNICATIONS OF NEW ENGLAND, INC.'S  
MOTION TO REQUIRE VERIZON TO INCLUDE ADDITIONAL  
INFORMATION IN ITS REPORT REGARDING SPECIAL SERVICES  
AND TO REPORT PERFORMANCE DATA MONTHLY

AT&T Communications of New England, Inc., on behalf of itself and its affiliated entities that provide telecommunications services in Massachusetts ("AT&T"), respectfully requests the Department of Telecommunications and Energy (the "Department") require Verizon to include additional information in the initial report that it must file in this proceeding. AT&T also moves that, on a going forward monthly basis, Verizon be required to report the metrics information requested to be included in the initial report.

#### Background

On March 14, 2001, the Department opened an investigation into the provisioning of special access services by Verizon New England Inc., d/b/a Verizon Massachusetts ("Verizon"). See Vote and Order to Open Investigation dated March 14, 2001 (the "March 14 Order"). The Department stated that it had received numerous complaints from carriers concerning problems with Verizon's special access services, including extremely long intervals for provisioning, failure to meet these extended intervals, and failure to keep carriers informed of the status of their orders. *Id.* at 1. The Department's March 14 Order echoes similar problems found by the New York Public Service Commission ("NYPSC") when it issued its Order Instituting Proceeding (November 24, 2000) in Cases 00-C-2051 and 92-C-0665 ("NYPSC Order" or "November 24, 2001, Order"). Noting that "[s]pecial services are critical to the economy and important factors in business formation and economic development," the NYPSC stated in that order:

[F]or several years, as demand for Special Services has accelerated, Verizon has been unable to meet Commission prescribed targets for installation. Verizon's

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inability to provide its customers and competitors with firm commitments for provisioning and timely installation has resulted in increased customer dissatisfaction and complaints. Despite informal discussions between staff and Verizon regarding actions to improve matters and revise targets and a Commission directive to bring Special Services to acceptable service quality levels and maintain that improvement, only limited progress has been shown and Commission ordered levels have not yet been reached.

Id. at 2.

The NYPSC was especially concerned about Verizon's performance because of its unique position in the telecommunications market. It relied on an October 27, 2000, report from the NYPSC's staff, which found that Verizon's presence dominates the special services market.

Based on our discussions with customers and competitors, it is clear Verizon remains the primary source of facilities that carriers and customers turn to for service. Its market presence is so vast that it remains the dominant provider for these services and many would-be competitors rely extensively on its services. As the company still enjoys the market dominance normally associated with a monopoly, careful attention needs to be given to both the retail and wholesale aspects of these services.

Staff Report of NYPSC, Case 92-C-0665 (October 27, 2000), at 14 (footnote omitted). The same is true in Massachusetts.

The Department, in its March 14 Order, ordered Verizon to file "a comprehensive report on its special access services" which contains, inter alia, "data on Verizon's provisioning, and maintenance and repair performance over the past year." The Department did not specify in its order the specific type of provisioning, and maintenance and repair data that Verizon should provide. In addition, although the Department's March 14 Order requires "an analysis of the results that shows why such performance is, in Verizon's opinion, reasonable, as well as a discussion of Verizon's plans to address special access problems," it does not specify the nature of the "plans" that Verizon should include in the report.

#### Argument

AT&T is concerned that, without clear instruction from the Department, Verizon will selectively choose information to report that minimizes the special access provisioning problem and that otherwise supports its position. In order to ensure that Verizon provides information regarding essential Verizon conduct at a sufficiently disaggregated level to identify discriminatory practices and other material problems, AT&T recommends that the Department require additional specific information that Verizon must include in its report. In addition, because Verizon's "plans" to address whatever problem it identifies are likely to be vague and without "teeth" in the absence of direction from the Department, AT&T recommends that the Department require Verizon to include additional specific actions and remedies. AT&T's specific recommendations are discussed below.

#### I. VERIZON'S REPORT MUST INCLUDE COMPREHENSIVE DATA ON PERFORMANCE METRICS THAT ARE SUFFICIENTLY DISAGGREGATED TO DISCLOSE ALL RELEVANT INFORMATION.

##### A. Performance Data Must Include Verizon's Conduct Provisioning Special Access Arrangements Under The Federal Tariff.

On April 6, 2001, AT&T filed a motion asking that the Department broaden the scope of this proceeding to include Verizon's performance provisioning special access arrangements under the federal tariff. As AT&T explained in its Motion To Expand Investigation, the Department must expand the scope of its investigation in order to have an accurate and comprehensive assessment of the nature and the extent of the special access problem and whether Verizon is discriminating against its competitors. A significant portion, perhaps most, of the special access circuits

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that Verizon provisions are provisioned under the federal access tariff. This is because Verizon provisions special access circuits under the federal tariff unless the percentage of intrastate traffic on the circuit is expected to exceed 90 percent. Because Verizon provisions a significant portion, perhaps most, of special access circuits under the federal tariff, the severity of the problem, indeed the existence of the problem itself, may be missed altogether. There may be little activity for the Department to investigate unless the Department expands the scope of this proceeding to include services provisioned under the federal tariff.

The tariff under which the service is provisioned is largely invisible to the customer ordering the service. There is no difference in the ordering processes, equipment or connections between special access services ordered pursuant to federal tariff and special access services ordered pursuant to state tariff. Thus, the complaints that the Department has heard regarding Verizon's special access provisioning certainly included (and was perhaps exclusively related to) provisioning under the federal tariff. Because there is no difference in the ordering, provisioning, and maintenance and repair between access circuits ordered under state and federal tariffs and because most are likely ordered under federal tariffs, the Department should require Verizon to include data on all access circuits in its report, without regard to jurisdiction.

#### B. Performance Data Must Be Sufficiently Disaggregated To Disclose Discriminatory Conduct.

It is essential that Verizon report data that shows, rather than hides, its performance. The Department and the parties have significant experience defining metrics that reveal the competition affecting aspects of Verizon provisioning performance. There is no need for extended discussion regarding the type of metrics required. The experience of the Department and the parties in developing a Performance Assurance Plan ("PAP") in D.T.E. 99-271 can be applied here. AT&T recommends, therefore, that the Department require Verizon to include in its initial report, and then to report on an on-going monthly basis, its special access provisioning performance according to the now familiar format of the carrier-to-carrier ("C2C") metrics. These metrics have been identified as Special Services (SS) metrics and use the C2C convention for Ordering (OR), Provisioning (PR) and maintenance and repair (MR).

Metrics and standards are necessary to define and set customer expectations, determine reliability of service and determine the root cause of performance defects. Regular reporting of results enables the Department to assure that standards are being met and improvement plans have been implemented to address root cause of performance defects. Attached to this motion is a set of metrics for which the Department should require data in Verizon's report. There are two ordering metrics, eight provisioning metrics, and three maintenance and repair metrics. These metrics were developed in New York as part of a special collaborative designed to address special access provisioning there. The attached metrics reflect the consensus view of all carriers in New York, except Verizon. In considering these metrics, there is no reason that the Department cannot build on the hard work that has already been accomplished in New York. The Department has recognized that performance measures from other jurisdictions should be considered in Massachusetts. Consolidated Arbitrations, D.P.U./D.T.E. 96-73, 96-75, 96-80/81, 96-83, 96-94, Phase 3-E (September 25, 1998), at 21. While these measures have not yet been officially adopted in New York, they reflect the consensus view of the carriers who depend on Verizon's special access provisioning there. At a minimum, Verizon's report on its special access provisioning in Massachusetts should include data regarding these metrics.

#### 1. Ordering Data Should Be Included in Verizon's Report.

The ordering function involves issuing service orders for special access circuits from Verizon, and the attendant activities that arise in connection with the processing of the orders prior to provisioning. Necessary communications about each order include an acknowledgement that the order was actually received (and not lost

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in transit) and a confirmation that the order was received in proper format and will be processed according to instructions provided by the ordering party. Alternatively, a reject/query of the order can be generated in the case where the order conflicts with Verizon business rules or specifications for the form, format and content of the order. Key measurements associated with ordering deal with the communications that support order processing (i.e., acknowledgments, confirmations and reject/queries and completion notices), performance characteristics that deal with percentages of orders that are processed versus rejected due to error, basic accuracy of the order processing system and a measure of the degree to which orders flow-through the Verizon systems without manual processing by Verizon.

Despite all of these key measurements, the consensus metrics attached require data on only two of the key measurements. They are Order Confirmation Timeliness (SS-OR-1) and Reject/Query Timeliness (SS-OR-2). Order Confirmation Timeliness (SS-OR-1) measures the percentage of orders for which a Service Order Confirmation, with facility check, was sent within the time required (72 hours). The metric is disaggregated to show the on-time percentage for access service requests ("ASRs") submitted electronically versus those submitted by fax or mail. It is also disaggregated to show separate on-time percentages for ASRs depending upon the type of access circuit requested (DS0, DS1, DS3, OCx, and other). Finally, and most importantly, the foregoing on-time percentages are computed separately for (a) orders placed by Verizon's competitors and (b) orders placed by Verizon's affiliates. This allows for a direct comparison of Verizon's on-time performance for itself versus its competitors for each type of order (electronic, fax/mail, etc.) for each type of access circuit (DS0, DS1, etc.).

Reject/Query Timeliness (SS-OR-2) measures the percentage of ASRs rejected or queried within the specified timeframes (24 hours). Like SS-OR-1, this metric is disaggregated to allow separate measurements of timeliness for each type of circuit broken down by submission medium (electronic, fax/mail) and by the carrier submitting the order (competitive carrier, Verizon affiliate).

#### 2. Provisioning Data Should Also Be Included.

Provisioning is the function of implementing the order within the Verizon systems, and may involve services that require CLEC/Carrier-Verizon resource integration and coordination. Provisioning may require manual processes to connect wires and circuits as well as electronic processes. Installation and testing activities may be involved, and coordination between intra and inter company groups that have specific responsibilities to ensure accurate and timely order completion are often necessary.

Measurements of the provisioning process are vital to ensuring Verizon meets its obligations to the ordering party. The measures provide insight to determine the provisioning intervals that are offered and provided for the CLEC/Carrier orders to be worked by Verizon. Completion dates for installing or changing services are tracked to determine the percentages made and missed. Where completion dates are missed, the measurement system must be able to record the length of time the order remains open after the committed due date has been missed. The reason for the failure to complete the order timely must be recorded and, where it is related to the unavailability of facilities, that should be noted. The quality of service installations must be measured as well as timely completion. Lastly, the measurement system must address the support Verizon provides to CLEC/Carriers in alerting the CLEC/Carrier of jeopardy situations in which a planned installation cannot take place, with sufficient lead time to enable the CLEC/Carrier to alert its customer as far ahead of the commitment date as is possible.

The consensus metrics attached require data on eight key provisioning measurements. Each metric is identified with a brief description below:

Provisioning On Time Performance - Met Commitments (SS-PR-1) - measures the percent of orders completed on or before the first confirmed commitment date, or a subsequent customer initiated order due date

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Average Delay Days on Missed Installation Orders (SS-PR-2) - for orders where the installation commitment was missed due to Verizon reasons, measures the average number of days between the first confirmed commitment due date (or a subsequent customer initiated due date) and the actual work completion date.

Installation Quality (SS-PR-3) - measures the percent of installed circuits where a reported trouble was found in the network within 30 days of order activity.

Percent Missed Appointments Due to a Lack of Facilities (SS-PR-4) - measures the percent of orders completed after the commitment date, due to a lack of Verizon facilities.

Completed within Specified Interval (SS-PR-5) - for special orders, the percent of orders completed in standard interval.

Completed within Published Interval (SS-PR-6) -- for special orders, distribution of orders completed in specified number of business days, between application and work completion dates.

Open Orders in Hold Status (Backlog) (SS-PR-7) - measures the accumulation of backlog - number of open orders that at the close of the reporting period have been in a hold status for more than 10 calendar days or 30 calendar days.

Percent Jeopardies (SS-PR-8) - measures the percentage of missed due date orders that receive jeopardy notices.

Like Ordering metrics, these provisioning metrics are disaggregated to allow separate measurements for each type of circuit (DS0, DS1, DS3, OCx, etc.) broken down by submission medium (electronic, fax/mail) and by the carrier submitting the order (competitive carrier, Verizon affiliate).

### 3. Maintenance and Repair Data Should Also Be Included.

The processes of Maintenance and Repair that are performed by Verizon with CLEC/Carriers are designed to restore service quickly to customers where problems have arisen. The processes come into play when a CLEC/Carrier customer contacts the CLEC/Carrier complaining of a service problem on a special access circuit. Verizon has several systems that enhance its ability to interact with customers to perform tests, determine the scope of problems (trunks, lines, switches, etc.) and sectionalize the likely source of a problem, and then begin the restoration process as quickly as possible.

Measuring the performance of Verizon on its role in providing Maintenance and Repair services deals generally with trouble rates and restoration intervals. The metrics attached are as follows:

Customer Trouble Report Rate (SS-MR-1) - measures, as a percentage of the number of special access circuits in service, the total initial customer direct or referred troubles reported, where the trouble disposition was found to be in the network or a trouble condition was not found.

Trouble Duration Intervals (SS-MR-2) - measures trouble duration by measuring duration time from trouble receipt to trouble clearance.

Repeat Trouble Reports (SS-MR-3) - measures, as a percent of all troubles cleared, the number that have an additional trouble reported/cleared within 30 days for which a network trouble is found.

Like the other metrics, the maintenance and repair metrics should be provided separately for different types of access lines, different submission media and the different carriers submitting the order.

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II VERIZON'S REPORT MUST INCLUDE ADDITIONAL INFORMATION TO PERMIT A ROOT CAUSE ANALYSIS AND THE DEVELOPMENT OF A SERVICE IMPROVEMENT PLAN WITH MILESTONES AND STANDARDS AND A SET OF REMEDIES THAT APPLY IF THEY ARE NOT MET.

The data described above will provide the Department with a complete picture of Verizon's performance and enable a more accurate assessment of whether Verizon is discriminating against its competitors. Ultimately, however, the purpose of the Department's investigation in this docket is to define and ensure good quality provisioning of special access circuits. In order to do that, the root causes of poor quality provisioning must be identified and a plan implemented to address the problems.

In order to determine whether there are underlying structural causes for current situation in Massachusetts, the Department should investigate whether the current problems may have been brought about by a failure on the part of Verizon to adequately utilize its own vast historical data as well as the many forms of forecasts provided by CLEC/Carriers, to forecast demand for Verizon's special access services; to adequately budget to meet forecasted demand in its capital planning process; and to invest sufficiently in its wholesale infrastructure and human resources. Therefore, the Verizon report should include data on Verizon's forecasted demand, construction planning and capital dollars spent to add infrastructure to meet anticipated demand for special access starting in 1997 through the present.

The relationships between forecasting, capital budgeting, and infrastructure construction should be explored in detail. Moreover, because Verizon allocates its capital across a multi-state region, these relationships should be compared across states as well. The Department should require that Verizon's report include data that compare forecasting, budgeting and capital expenditures for special services infrastructure in Massachusetts to comparable data in other states in the Verizon territory. If Verizon maintains "construction relief plans" for special services infrastructure for each of the jurisdictions in which it provides local service, the Department should require Verizon to produce these documents for Massachusetts and for, at least, the other states in the Verizon "north" footprint.

Given the importance of special services to competition and to the state's economy, it is important for the Department to understand whether Verizon is investing in its infrastructure in the Commonwealth at an appropriate level relative to other Verizon states. Therefore, AT&T urges the Department to require that Verizon's report include data that compare capital expenditures for special services infrastructure in Massachusetts to expenditures in other states in the Verizon territory.

In New York, Verizon has offered several proposals to address the special services provisioning problems there, including a modification to its "Management Incentive Compensation Plan" ("MICP") and a recently proposed "Special Services Provisioning Warranty Plan." The Department should require Verizon to detail in its report the extent to which such offers will apply in Massachusetts as well. (1)

Finally, Verizon's report should include a root-cause analysis of the problems disclosed by the metrics data and, based on the results of that analysis, a service improvement plan, with standards to be achieved, a timetable within which they must be achieved and penalties for Verizon's failure to achieve them. The standards to be achieved should be based on the performance standards that are included in the set of metrics that AT&T has attached to this motion.

Conclusion

AT&T respectfully requests that the Department require Verizon to include in its initial report the information described above and to provide data for special services performance metrics on a monthly basis going forward.

Respectfully submitted,

AT&T COMMUNICATIONS OF NEW ENGLAND, INC.

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Jeffrey F. Jones, Esq.

Kenneth W. Salinger

Jay E. Gruber

Alexis O. Goltra

Palmer & Dodge, LLP

One Beacon Street

Boston, MA 02108

(617) 573-0100

Robert Aurigema, Senior Attorney

32 Avenue of the Americas. E644

New York, NY 10013

(212) 387-5617

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#### CERTIFICATE OF SERVICE

I hereby certify that I caused a true copy of the above document to be served upon the attorney of record for each other party on April 11, 2001.

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1. 1 The Department should not, however, be satisfied with these proposals standing by themselves. Although accepting these proposals, the NYPSC made clear its belief that these proposals are inadequate by themselves to address the problems in special services provisioning. NYPSC Order, at 2-3.